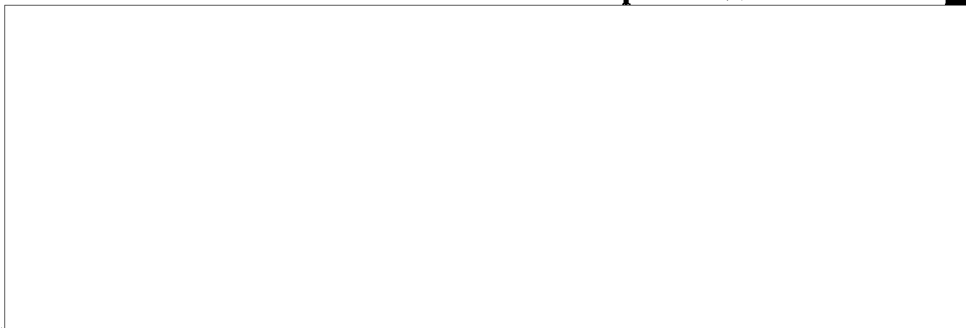




**Director of  
Central  
Intelligence**

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# **National Intelligence Daily**

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***Monday  
18 January 1982***

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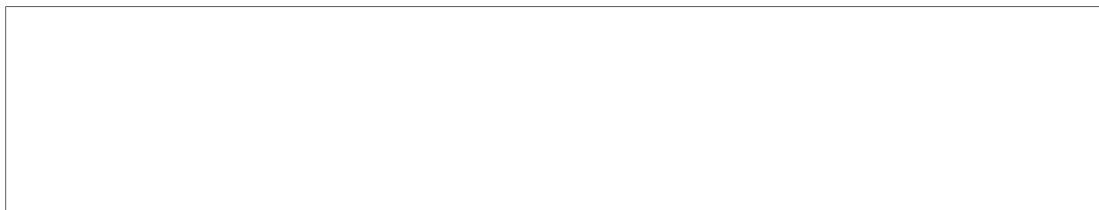
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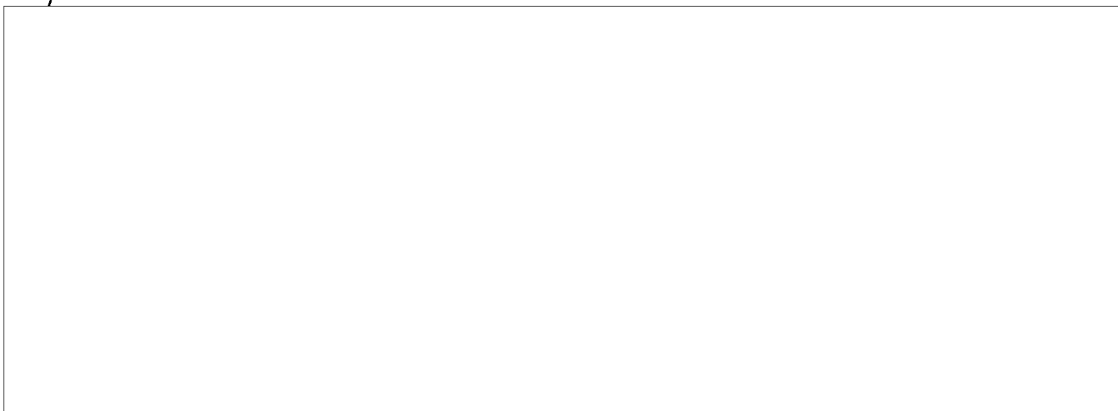
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4 CHINA: Prospects for Bureaucratic Reform

*Powerful political and institutional barriers will hinder the government reorganization recently announced by Premier Zhao Ziyang and ultimately will prevent Beijing from fully attaining its goal of a responsive, professional bureaucracy.* [redacted]

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The reform is calculated to increase economic efficiency, eliminate bureaucratic impediments to other economic and political reforms, and secure the succession for allies of Deng Xiaoping. [redacted]

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[redacted] the government plans to reduce 108 ministerial-level organizations by at least two-thirds, retire large numbers of aged or ailing senior officials, and replace many politically well-connected but generally incompetent officials with technocrats. [redacted]

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[redacted] although the leadership agreed on the need for the reforms, implementation will be resisted by the many senior party officials whose careers are threatened. [redacted]

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Comment: Although the reformers probably will simplify the government organizational charts and force the retirement or demotion of large numbers of administrators, political horsetrading will dilute the impact of the measures. The magnitude of the task and the resistance it will arouse virtually guarantee that Beijing will not meet its self-imposed one-year timetable. [redacted]

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The shakeup in the capital, moreover, will complicate the process in the provinces, where many displaced officials may be sent. More important, organizational reforms will not eliminate the principal problems in the bureaucracy--including cronyism, staff expansion, and inertia. [redacted]

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